

INFORMATION SERVICES INDUSTRY & SYS INTEGRATION

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SEP 12 1986

MOUNTAIN VIEW,

INFORMATION SERVICES INDUSTRY
&
SYSTEMS INTEGRATION



AN EXECUTIVE REVIEW
FOR
PLANNING RESEARCH CORPORATION

August 25, 1986

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1986

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TODAY'S PRESENTATION

- o PRESENTS AN INFORMATION INDUSTRY OVERVIEW AND FORECAST SERIES.
- o DISCUSSES SEGMENTS AS THEY RELATE TO COMMERCIAL SYSTEMS INTEGRATION AND IN GENERAL.
- o DEFINES S.I. FROM AN OPERATIONAL AND MARKET PERSPECTIVE.
- o EXAMINES CLASSES OF CURRENT OR POTENTIAL S.I. PLAYERS.
- o OUTLINES KEY CUSTOMER MOTIVATIONS AND CONCERNS.
- o ISOLATES MARKET DEVELOPMENT FACTORS AND SCENARIOS.
- o IS INTENDED TO STIMULATE THOUGHT AND DISCUSSION.

PLEASE FEEL FREE TO ASK QUESTIONS.

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INPUT'S MARKET SEGMENTATION

- o FOUR BASIC SECTORS:
 - PROCESSING SERVICES
 - SOFTWARE
 - PROFESSIONAL SERVICES
 - TURNKEY SYSTEMS
- o EACH HAS MULTIPLE SUB-SECTORS AND IS FURTHER DIVIDED BY 14 INDUSTRY SECTORS. PROCESSING (FOR EXAMPLE) IS FURTHER DIVIDED INTO:
 - REMOTE COMPUTING/BATCH
 - PROCESSING FACILITIES MANAGEMENT
 - ON-LINE DATA BASES
 - VAN SERVICES
 - INDUSTRY SPECIFIC/CROSS INDUSTRY
- o SOFTWARE IS SEGMENTED BY:
 - APPLICATIONS/SYSTEMS
 - HARDWARE CLASS
 - INDUSTRY SPECIFIC/CROSS INDUSTRY
 - INDUSTRY

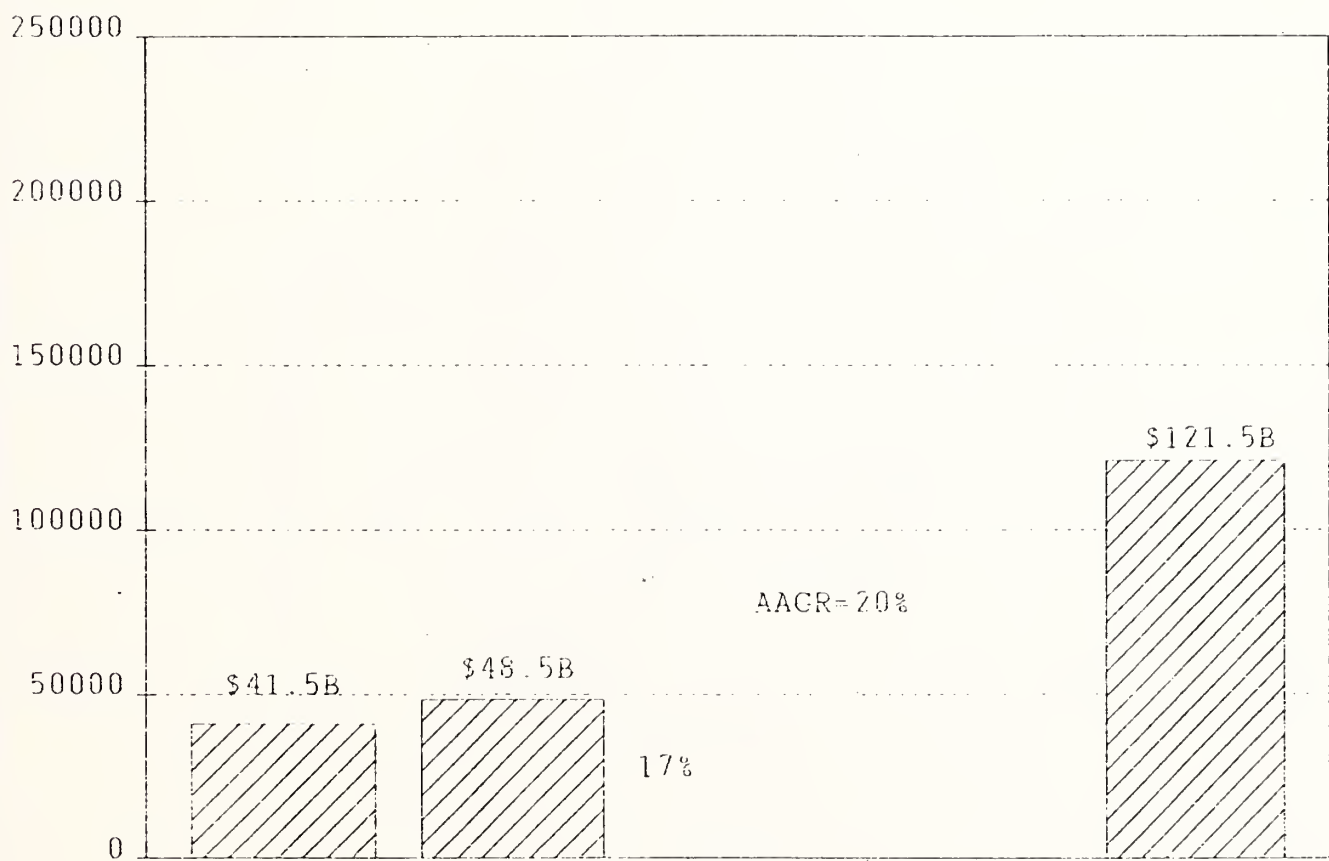
INPUT

- o TURNKEY SYSTEMS ARE SEGMENTED BY:
 - INDUSTRY SPECIFIC/CROSS INDUSTRY
 - INDUSTRY
- o PROFESSIONAL SERVICES ARE SEGMENTED BY:
 - SOFTWARE DEVELOPMENT
 - CONSULTING
 - EDUCATION AND TRAINING
 - FACILITIES MANAGEMENT
 - SYSTEMS INTEGRATION
 - INDUSTRY
- o DATA IS FOR NON-CAPTIVE UNITED STATES USER EXPENDITURES.
- o DATA GATHERED THROUGH AN EXTENSIVE PROGRAM OF INTERVIEWS WITH USERS CONDITIONED BY VENDOR MONITORING. ANNUAL RECONCILIATIONS PUBLISHED.
- o FORECASTING PROCESS IN CONTINUOUS USE AND DEVELOPMENT SINCE 1974.

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INDUSTRY GROWTH

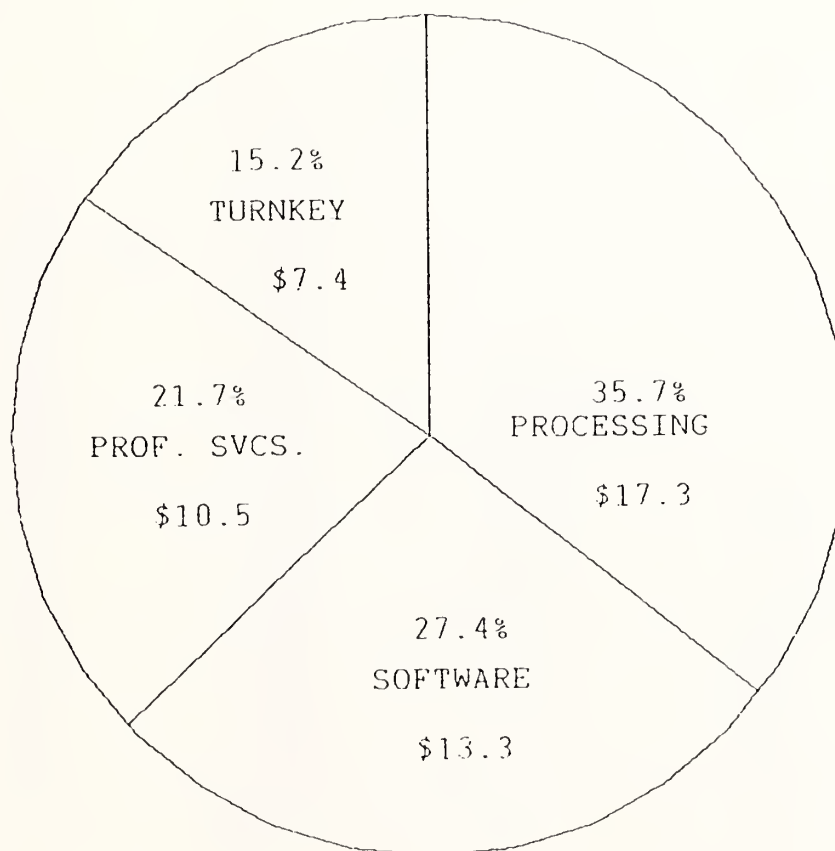
1984, 1985 & 1990 FORECAST



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INFORMATION SERVICES INDUSTRY

1985 USER EXPENDITURES BY SECTOR

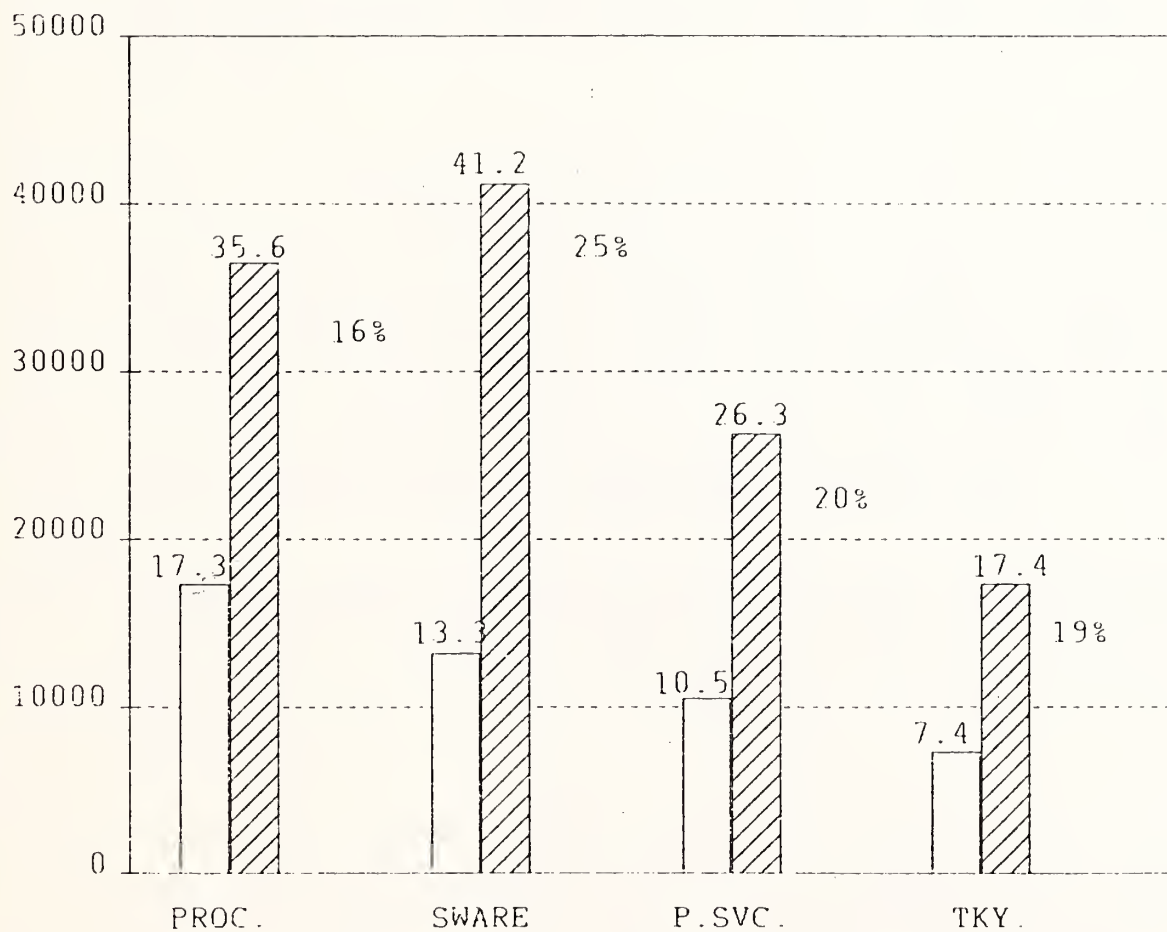


TOTAL 1985=\$485

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GROWTH BY SECTOR

1985 & 1990 FORECAST



Note: Quantities are \$Billions; % is AAGR.

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SECTOR COMMENTARY (PROCESSING)

- o PROCESSING SERVICES WILL CONTINUE AT A MODERATE (BY INDUSTRY STANDARDS) GROWTH OF 16% PER YEAR. BY 1988, THE SOFTWARE SECTOR WILL EQUAL IT IN SIZE AND IN 1989 WILL SURPASS IT.
- o THIS IS A SECTOR IN RAPID AND PAINFUL CHANGE. HISTORICAL BIG PLAYERS IN REMOTE COMPUTING - ONCE THE SECTOR STARS - ARE IN ECLIPSE. MOST HAVE FAILED TO MAKE AN ORDERLY ACCOMODATION TO THE NEW WORLD OF INFORMATION CENTERS AND PERSONAL COMPUTERS.
- o GROWTH IS NOW PROPELLED BY HIGHLY SPECIALIZED SERVICES IN MEDICAL, FINANCE AND OTHER INDUSTRY-SPECIFIC APPLICATIONS.
- o A PARTICULARLY STRONG SECTOR IS ON-LINE DATA BASES WHICH IS EXPECTED TO GROW AT 25%/YEAR FROM 1985 LEVELS OF \$2.2 BILLION TO \$6.6 BILLION IN 1990. OLDB SHARE OF MARKET WILL RISE TO 19% OF TOTAL MARKET FROM 1985'S 12%.

INPUT

- o AMONG A GROUP OF 33 PUBLICLY HELD PROCESSING COMPANIES GROWTH IN REVENUES WAS 16% 1984-1985 WHILE EARNINGS INCREASED 26%. NET MARGIN ROSE TO 8.7% FROM 1984 LEVELS OF 8.0%.

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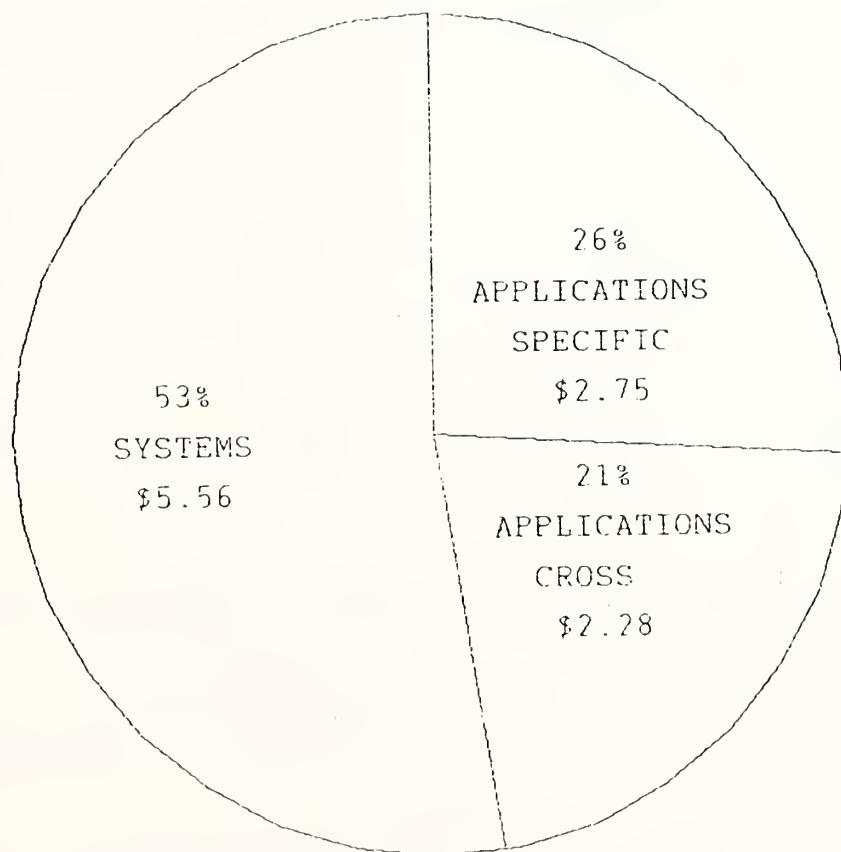
SECTOR COMMENTARY (SOFTWARE)

- o SOFTWARE, EXPERIENCING FRENETIC GROWTH IN 1983-1984 (+39%), HAS MOVED BACK INTO THE LONG-TERM HISTORICAL RANGE OF 20-25% GROWTH. INPUT FORECASTS 25% AAGR THROUGH THE DECADE. HEAVILY AND MULTIPLY SEGMENTED, EACH SEGMENT HAS ITS OWN DYNAMICS.
- o MICRO SOFTWARE EXPLODED IN 1983-84, INCREASING 120% TO \$2.2 BILLION, THEN SLOWED RAPIDLY TO 23% GROWTH IN 1984-1985. WE EXPECT MORE RAPID GROWTH (32%) THROUGH 1990 AS A RESULT OF "NEW" ARCHITECTURES (286/386), UPGRADES AND RETIREMENTS OF OLDER PACKAGES. "NETWORKED" MULTI-USER APPLICATIONS WILL ALSO BE SIGNIFICANT, AS WILL SALES DUE TO WORK/HOME MACHINES AT LOWER PRICE POINTS.
- o MAINFRAME/MINI SOFTWARE ACCOUNTS FOR ABOUT 80% OF ALL SOFTWARE SALES AND DOMINATES THE SECTOR'S GROWTH RATE. IN 1985 THIS SEGMENT ACCOUNTED FOR \$10.6 BILLION IN USER EXPENDITURES.

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MAINFRAME/MINI SOFTWARE SEGMENTS

1985 USER EXPENDITURES



TOTAL=\$10.59 Billion

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MAINFRAME/MINI INDUSTRIES

- o SINCE INDUSTRY SPECIFIC APPLICATIONS SOFTWARE RELATES TO SYSTEMS INTEGRATION, INDUSTRY DETAIL MERITS ATTENTION.

<u>INDUSTRY</u>	<u>\$ 1985 EXPENDITURE</u>	<u>\$ 1990 EXPENDITURE</u>	<u>AAGR%</u>
BANKING & FINANCE	845	2,989	29
DISCRETE MFG.	661	1,644	20
DISTRIBUTION	262	999	31%
MEDICAL	252	1,365	40
INSURANCE	229	630	23%
OTHER (9 INDS)	<u>502</u>	<u>2,123</u>	<u>x</u>
TOTAL	2,751	9,750	29%

- o NOTE THE EXTREMELY STRONG POSITION OF BANKING AND FINANCE WHICH ACCOUNTS FOR ABOUT 31% OF 1985 EXPENDITURES.
- o DISCRETE MANUFACTURING WILL LOSE SHARE OF TOTAL EXPENDITURES, DROPPING FROM 24% IN 1985 TO 17% IN 1990 BUT WILL STILL BE IN SECOND PLACE.

INPUT

- o THE MOST RAPIDLY GROWING SECTOR IS MEDICAL AT 40%.
- o INDUSTRY SPECIFIC SOFTWARE FOR DISTRIBUTION WILL REACH ALMOST \$1 BILLION BY 1990 WITH VERY GOOD GROWTH.
- o THIS DATA MAY BE CONSIDERED AS ONE INDICATOR OF AN INDUSTRY'S TENDENCY TO USE SERVICE TO SOLVE COMPLEX PROBLEMS.

INPUT

SECTOR COMMENTARY (SOFTWARE) (cont'd)

- o INDICATIVE OF THE RECENT DIFFICULTIES, 34 PUBLIC SOFTWARE COMPANIES INCREASED REVENUES ONLY 15% IN CALENDAR 1985 VERSUS 1984. NET EARNINGS WERE UP 9% WHILE MARGINS DECLINED FROM 7.5% TO 7.1%, BOTH WELL-BELOW HISTORICAL 9% NETS.
- o 24% OF THE PUBLIC SOFTWARE COMPANIES EXPERIENCED REVENUE DECLINES 1984-1985 WHILE 38% EXPERIENCED EARNINGS DECLINES. MOST OF THE PROBLEMS ARE IN MICRO SECTOR ... BUT NOT ALL.
- o AS A SECTOR REVENUES AND EARNINGS (IN PARTICULAR) HAVE TRADITIONALLY HAD HIGH VOLATILITY. RECENT FINANCIAL PERFORMANCE IS NOT UNUSUAL IN HISTORICAL PERSPECTIVE.

INPUT

SECTOR COMMENTARY (TURNKEY SYSTEMS)

- o EXPENDITURES IN THIS SECTOR GREW 16% IN 1985 TO \$7.4 BILLION. THE OUTLOOK FOR THE PERIOD THROUGH 1990 IS FOR AVERAGE ANNUAL GROWTH TO BE 19%.
- o APPROXIMATELY 69% OF EXPENDITURES ARE FROM INDUSTRY - SPECIALIZED APPLICATIONS AMONG WHICH CAD-CAM PRE-DOMINATES. SPECIALIZED TURNKEYS WILL GROW AT A 20% AAGR WHILE CROSS-INDUSTRY SYSTEMS WILL INCREASE AT A MODERATE 15% COMPOUND RATE.
- o VENDORS IN THIS SECTORS FEEL IMMENSE PRESSURE FROM THE SECULAR DOWN-TRENDS IN HARDWARE PRICES AND RAPIDLY INCREASING PC CAPABILITY. A RELATIVELY MINOR SECTOR TO HARDWARE MANUFACTURERS, MANY OF THESE MANUFACTURER'S HAVE ADVISED THE VENDORS NOT TO RELY ON HARDWARE MARGINS.
- o AS A RESULT INCREASING EMPHASIS IS BEING PLACED ON AFTER-SALE SERVICE AND SUPPORT, PRE-INSTALLATION CONSULTING AND OTHER "INTANGIBLES" TO INCREASE SALES. INCREASED EMPHASIS ON SOFTWARE SALES ALSO.

INPUT

- o INPUT EXPECTS CONSOLIDATION IN THIS SECTOR. CURRENTLY THE TOP TEN VENDORS ACCOUNT FOR 22% OF EXPENDITURES, THIS MAY RISE TO AS HIGH AS 33% IN FIVE YEARS.
- o REVENUE OF 19 PUBLIC TURNKEYS INCREASED ONLY 6% IN 1985 WHILE NET EARNINGS PLUMMENTED 95.4%. THIS WAS LARGELY DUE COMPUTERVISION'S EARNINGS COLLAPSE WHICH WENT FROM \$38 MILLION POSITIVE IN 1984 TO \$81 MILLION NEGATIVE IN 1985. COMPUTER CONSOLES' FORAY INTO OFFICE AUTOMATION RESULTED IN A \$42 MILLION LOSS IN 1985 AS WELL. ACCORDINGLY, WE VIEW PUBLIC EARNINGS PROBLEMS IN THIS SECTOR AS MORE COMPANY THAN SECTOR RELATED.
- o WHILE PUBLIC COMPANIES HAVE HAD SLOWER GROWTH A RECENT STUDY BY INPUT FOUND 100 SMALLER TURNKEYS REPORTING 36% GROWTH IN 1985 AND SIMILAR GROWTH IN 1986.
- o IN INPUT'S VIEW TURNKEY FIRMS WILL NOT BE A MAJOR FORCE IN LARGE-SCALE SYSTEMS INTEGRATION. FIRMS OF ANY SIZE TEND TO BE HIGHLY SPECIALIZED (OFTEN IN CAD-CAM) WHILE MOST LACK THE SCALE AND RESOURCES TO BE CREDIBLE.

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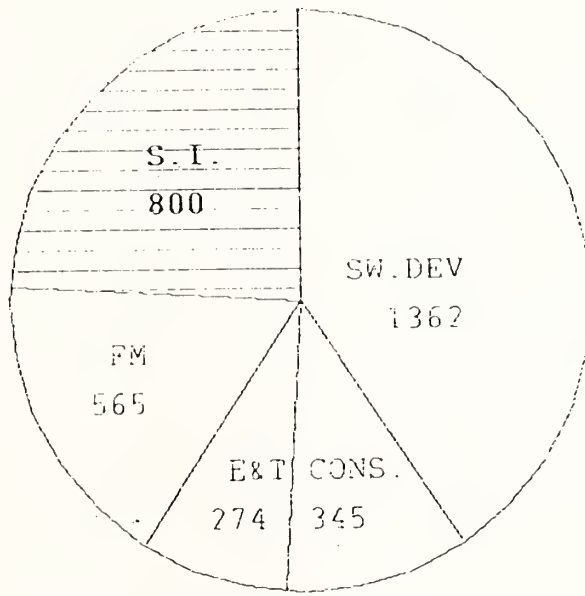
SECTOR COMMENTARY (PROFESSIONAL)

- o PROFESSIONAL SERVICES AS A MARKET HAS BEEN ONE OF STEADY AND RELATIVELY STRONG GROWTH OVER THE YEARS.
- o INCREASING 19% IN 1985 OVER 1984 TO \$10.6 BILLION, 20% AAGR IS EXPECTED THROUGH 1990 WHEN THE MARKET WILL REACH \$26.3 BILLION.
- o P.S. IS UNIQUE IN THE POWERFUL ROLE PLAYED BY FEDERAL GOVERNMENT CUSTOMERS WHO COMPRISED 32% OF THE TOTAL MARKET.

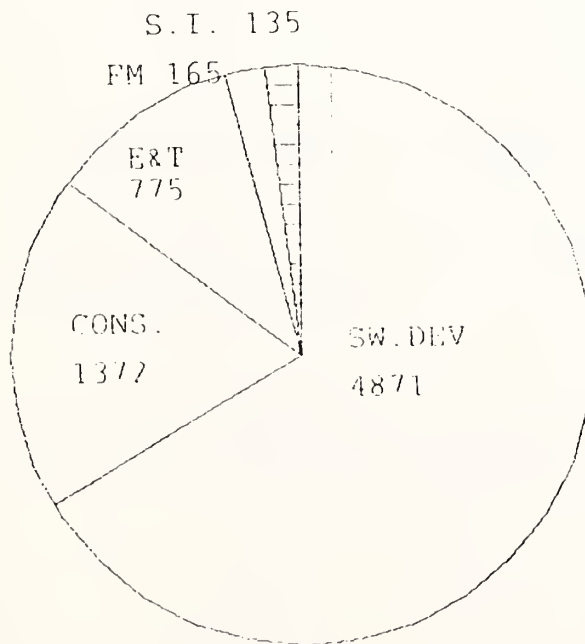
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PROF. SVCS. SEGMENTS

1985 EXPENDITURES, FEDERAL & COMMERCIAL



FEDERAL=\$3.34 BILLION



COMMERCIAL=\$7.32 BILLION

INPUT

PROFESSIONAL SERVICES COMPARISON

<u>MODE</u>	<u>\$ FED</u>	<u>F GRO</u>	<u>\$ COM'L</u>	<u>% C GROW</u>	<u>% FED SHARE</u>
SOFTWARE DEV	1,362	19	4,871	20	22
CONSULTING	345	16	1,372	22	20
ED. & TRNG.	274	24	775	27	26
FM	565	10	165	12	77
SYS. INT.	<u>800</u>	<u>22</u>	<u>135</u>	<u>36</u>	<u>86</u>
AGGREGATE	3,346	19	7,318	21	31

- o OBSERVE THE MARKEDLY DIFFERENT PROFILES OF THE TWO GROUPS.
- o FEDERAL IS "UNDER-WEIGHTED" IN CONSULTING AND SOFTWARE DEVELOPMENT; MARKEDLY OVER-WEIGHTED IN FM AND SYSTEMS INTEGRATION PRESENTLY.
- o GROWTH RATES ARE GENERALLY HIGHER IN COMMERCIAL SECTOR.

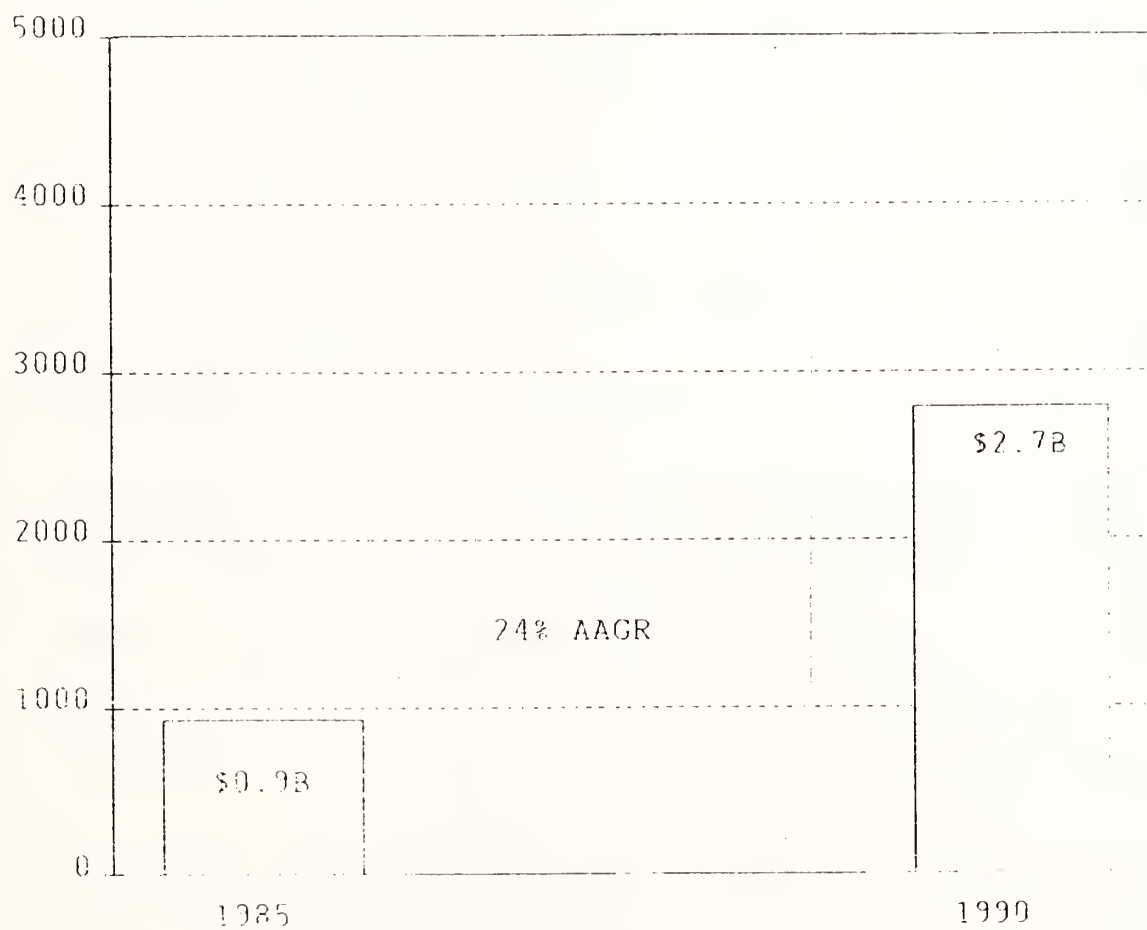
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- o NOTE PARTICULARLY THE S.I. DATA. S.I. IS EXPECTED TO BECOME A \$2.1 BILLION FEDERAL MODE AND AN \$0.63 BILLION COMMERCIAL MODE IN 1990 FOR A TOTAL OF \$2.7 BILLION. ABOUT ONE-FOURTH OF THIS BUSINESS IS EXPECTED TO BE COMMERCIAL.
- o EVENTS MAY HAVE OVERTAKEN THIS LATE 1985 FORECAST IN THE COMMERCIAL S.I. ARENA, MAKING IT VERY CONSERVATIVE.

INPUT

SYSTEMS INTEGRATION GROWTH

1985 EXPENDITURES & 1990 FORECAST



INPUT

KEY TYPES OF PLAYERS

- o SEVERAL TYPES OF ORGANIZATIONS HAVE THE POTENTIAL TO BE ACTIVE IN THIS MARKET.
 - HARDWARE MANUFACTURERS
 - PROFESSIONAL SERVICES FIRMS
 - FEDERAL SECTOR S.I.'S
 - SOFTWARE VENDORS
 - TELECOMMUNICATIONS COMPANIES
- o EACH HAS A DIFFERENT PORTFOLIO.
- o HARDWARE MANUFACTURERS HAVE IN-PLACE EXCELLENT RELATIONSHIPS. PROBABLY ABLE TO IDENTIFY OPPORTUNITIES QUITE EARLY. MAY BE PERCEIVED BY POTENTIAL CLIENTS AS "IRON MONGERS" NOT ABLE TO OBJECTIVELY PROVIDE "BEST" SOLUTION.
- o P.S. FIRMS HAVE DEMONSTRATED PROJECT MANAGEMENT SKILLS, IN PLACE RELATIONSHIPS AND POSSIBLE "DEMONSTRATION OF PERFORMANCE." THIS LATTER CUTS BOTH WAYS. MAY BE ABLE TO CLAIM APPLICATIONS/INDUSTRY EXPERIENCE.

INPUT

- o S.I.'S CAN CLAIM PROJECT MANAGEMENT SKILLS, ACTUAL INTEGRATION EXPERIENCE BUT SOME MAY BE SHORT ON COMMERCIAL RELATIONSHIPS AND UNDERSTANDING OF "FREE-MARKET" BUSINESS PRACTICES.
- o SOFTWARE VENDORS CAN LAY HEAVIEST CLAIM TO APPLICATIONS/INDUSTRY EXPERIENCE. SOME HAVE CONTINUING DEVELOPMENT/MODIFICATION RELATIONSHIPS WITH CLIENTS (P.S.-LIKE).
- o TELECOMMUNICATION FIRMS (PRINCIPALLY AT&T) APPROACH S.I. FROM A DIFFERENT PERSPECTIVE, "THE NETWORK." ON A STAND-ALONE BASIS THIS IS NOT VERY MEANINGFUL FOR MOST APPLICATIONS. OTHER THAN THE AT&T JOINT VENTURE WITH EDS, MATERIAL PARTICIPATION FROM THIS GROUP IS NOT EXPECTED.
- o IN INPUT'S VIEW NO PARTICULAR CLASS OF FIRM HAS AN OVERWHELMING ADVANTAGE. BEHAVIORS OF INDIVIDUAL ORGANIZATIONS WILL BE MORE IMPORTANT TO SUCCESS THAN THE ORIGINATION POINT.

INPUT

COMMERCIAL SYSTEM INTEGRATION DEFINITION

- o IN INPUT'S VIEW C.S.I. INCLUDES THE FOLLOWING COMPONENTS:
 - SOLUTION REQUIRES HARDWARE, SOFTWARE AND COMMUNICATION SKILLS, I.E. IS COMPLEX.
 - A SINGLE ENTITY ASSUMES PROJECT RESPONSIBILITY AND PROJECT MANAGEMENT.
 - USE OF SUBCONTRACTORS HIGHLY PROBABLE OR POSSIBLY JOINT VENTURE.
 - PROJECT IS PROBABLY MULTIPLE-YEAR AND HAS DEMANDING PROJECT MANAGEMENT CHARACTERISTICS.
 - PROJECT IS PROBABLY STRATEGICALLY SIGNIFICANT TO CLIENT.
- o THIS MARKET IS CURRENTLY EMERGING AND KEY COMPONENT DEFINITIONS MAY CHANGE IN TIME. WE WOULD CURRENTLY PLACE AN EXPENDITURE "FLOOR" OF \$5 MILLION PER PROJECT TO DISTINGUISH THIS CATEGORY FROM "STANDARD" PROFESSIONAL SERVICES WITH A COMMUNICATIONS OR HARDWARE COMPONENT.

INPUT

S.I. CUSTOMER PERSPECTIVE

- o FROM THE CUSTOMER'S PERSPECTIVE S.I. MIXES ATTRACTIVE AND UNATTRACTIVE CHARACTERISTICS.
- o HISTORICALLY MANY (IF NOT MOST) MIS DEPARTMENTS HAVE A MEDIOCRE TO POOR RECORD OF COMPLETING MAJOR PROJECTS ON BUDGET AND ON TIME. MANY SENSE A LACK OF PROJECT MANAGEMENT AND SYSTEMS DESIGN SKILLS.
- o S.I. "SOLVES" THIS PROBLEM BY TRANSFERING RESPONSIBILITY TO A THIRD-PARTY WHICH CAN DEMONSTRATE THESE SKILLS.
- o OPPOSING THIS IMPULSE IS FEAR OF LOSS OF CONTROL OF THE DEVELOPMENT OF CRITICAL SYSTEMS.
- o A SYSTEM LARGE ENOUGH TO WARRANT AN S.I. APPROACH IS ALSO IMPORTANT ENOUGH TO THE COMPANY TO GENERATE ACUTE TENSIONS AROUND THIS DICHOTOMY.
- o FROM AN MIS MANAGEMENT PERSPECTIVE CONTROL IS LOST BUT RESPONSIBILITY REMAINS. GENERALLY MIS MANAGEMENT IS LESS FAVORABLE TO S.I. THAN COMPANY MANAGEMENT AS A RESULT.

INPUT

- o THE NATURAL TENSION IN THIS SITUATION CREATES A DEMARCATION POINT AT SYSTEM DELIVERY. COMPANIES DO NOT WANT FM WITH S.I., HARDWARE MAINTENANCE OR SIMILAR "POST-INSTALLATION" SERVICES. THEY WILL OPERATE AND MAINTAIN THE SYSTEM.
- o THE RISKS OF S.I. LEAD TO TECHNICAL CONSERVATISM.
 - OFF THE SHELF HARDWARE
 - CONVENTIONAL LANGUAGES
 - STEP-BY-STEP DEVELOPMENT
- o S.I. WILL BE MORE COMMON AT FIRMS WITH WELL-RUN MIS OPERATIONS AND OPERATIONS WHERE THERE IS A HISTORY OF USE OF OUTSIDE SERVICES.
- o S.I. WILL BE A COMPLEX SALE WITH SIGNIFICANT FRONT-END INVESTMENT BY SUCCESSFUL FIRMS TO WIN.
- o BUSINESS TERMS AND CONDITIONS WILL BE VERY IMPORTANT. "FIXED PRICE AND GUARANTEED PERFORMANCE" PLUS POSSIBLE STRONG PENALTY CLAUSES WILL BE THE NORM AS CUSTOMERS SEEK TO REDUCE RISK.

INPUT

VENDORS WILL BE "PROVEN" ON SMALLER PROJECTS IN MANY CASES BEFORE MAJOR AWARDS.

- o CONDITIONS WILL VARY BY BOTH INDUSTRY AND COMPANY SIZE. AS SYSTEMS ARE BUILT AND SEEN TO BE SUCCESSFUL ANXIETY WILL BE REDUCED. SALES CYCLES WILL SHORTEN AND BUSINESS CONDITIONS "STANDARDIZE" AS S.I. EXPERIENCE IS GAINED WITHIN INDUSTRIES.

INPUT

COMMENT

- o IT IS IMPORTANT TO UNDERSTANT THAT S.I. IN THE COMMERCIAL SECTOR IS A NEW MARKET. THERE IS VERY LITTLE OPERATIONAL EXPERIENCE.
- o WHEN A MAJOR SYSTEM WITH STRATEGIC SIGNIFICANCE IS DEVELOPED BY A SINGLE FIRM IN CERTAIN HEAVILY COMPETITIVE INDUSTRIES OTHERS COULD FOLLOW RAPIDLY. A SYSTEMS INTEGRATION "EXPLOSION" OF CONTRACT SIGNINGS MAY FOLLOW. THESE ARE NOT LIKELY TO BE WITH THE SAME VENDOR FOR COMPETITIVE REASONS.
- o THE S.I. MARKET WILL HAVE A "LUMPY" NATURE FOR THE NEXT YEAR OR TWO. THIS IS DUE MOSTLY TO THE NEWNESS OF THE CONCEPT AND THE VERY LARGE PROJECTS INVOLVED. WE BELIEVE THIS FAVORS FEDERAL SECTOR FIRMS ACCUSTOMED TO DEALING WITH LENGTHY PRE-SALE PROJECTS.
- o INDUSTRY SELECTION OR TARGETING WILL BE VERY IMPORTANT. INTENSE COMPETITION AND LARGE FIRMS WITH SOPHISTICATED DP CAPABILITY IN PLACE IS FERTILE GROUND FOR S.I. VENDORS WILL MAP THEIR SPECIFIC COMPETENCIES ON INDUSTRY NEEDS.

INPUT

SUMMARY

- o SYSTEMS INTEGRATION IS AN OPPORTUNITY WORTH CONSIDERATION BY CERTAIN TYPES OF FIRMS. PRC'S FEDERAL BACKGROUND AND OBVIOUS ABILITY TO HANDLE LARGE PROJECTS MAKES IT AN APPARENT CANDIDATE FOR PARTICIPATION.
- o UNDER CERTAIN PLAUSIBLE SCENARIOS, COMMERCIAL S.I. COULD GROW VERY RAPIDLY AND EXCEED CURRENT FORECASTS BY A LARGE MARGIN.
- o WHILE MANY INFORMATION SERVICES SECTORS SUPPORT LARGE NUMBERS OF PARTICIPANTS, COMMERCIAL S.I. IS LIKELY TO BECOME HEAVILY CONCENTRATED BECAUSE OF THE PROJECT SIZES AND TECHNICAL DEMANDS. CASUAL PARTICIPANTS ARE LIKELY TO HAVE A SHORT AND UNSUCCESSFUL LIFE.
- o AT THE PRESENT TIME NO FIRM OR FIRM TYPE HAS A "FRANCHISE." UNLIKE MANY MARKETS, IT MAY BE POSSIBLE TO BUILD ONE IN S.I.

INPUT

- SYSTEMS INTEGRATION PROMISES TO OUTPACE MOST OTHER MARKETS IN RATE OF GROWTH. AS A RESULT IT IS LIKELY TO ATTRACT LARGE AND WELL-FONDED COMPETITORS. THE COMBINATION OF NEWNESS, LARGE COMPETITORS AND INTRINSIC TENSIONS ON THE CUSTOMER SIDE WILL RESULT IN A VERY DEMANDING MARKET CONDITIONS.

INPUT

